

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

Ms. Jeanne W. Davis  
Staff Secretary  
National Security Council  
Washington, D. C. 20506

Dear Ms. Davis:

Enclosed herewith are my comments, as requested in your memorandum dated July 11, 1975, subject, The Commission on the Organization of the Government for the Conduct of Foreign Policy (The Murphy Commission), on the recommendations contained in Chapter 7, "Intelligence," of the Murphy Commission report.

My views on the Commission recommendations in other chapters of the report will be submitted separately, including comments on the need for secrecy legislation and the importance of cover for CIA operations overseas.

Sincerely,

W. E. Colby

Enclosure:  
as stated

RECOMMENDATION (46)

The DCI should have an office in close proximity to the White House and be accorded regular and direct contact with the President.

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Direct contact with the President when the circumstances so warrant is important if I am to fulfill my responsibilities as the Government's senior foreign intelligence officer. It is not necessary that this contact be "regular" in the sense that it would be at set intervals of time, nor do I consider it necessary that I have an office in close proximity to the White House in order for me to maintain a close and continuing relationship with the President.

RECOMMENDATION (47)

The CIA should be retitled the Foreign Intelligence Agency (FIA), and its Director the Director of Foreign Intelligence (DFI).

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I see no particular advantage to be gained by retitling the CIA as the Foreign Intelligence Agency (FIA) or changing the title of the Agency head to the Director of Foreign Intelligence. The change would be cosmetic and not substantive.

Putting more stress on the fact that the responsibilities of the DCI and the CIA are limited to foreign intelligence can be accomplished by inserting "foreign" in appropriate places in the basic legislation--as already has been proposed both by me and the Rockefeller Commission.

RECOMMENDATION (48)

In order to best utilize the PFIAB:

- each incoming President should review and make such changes in PFIAB's membership as may be required to give him high personal confidence in that body's values and judgement; ~~that~~
- he <sup>should</sup> make himself directly available to the Chairman of PFIAB upon the latter's request; and ~~that~~
- the PFIAB staff should be increased in size, and drawn in part from sources outside the intelligence community.

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I fully concur in this recommendation. As I noted in my 23 June 1974 comments on the Report to the President of the Commission on CIA Activities within the United States, I have the highest regard for the contribution which the PFIAB has made to the improvement of the intelligence structure of our Government to date, and I look forward to the Board's specific supervision and independent assessment of our performance in the future.

RECOMMENDATION (49)

Covert action cannot be abandoned, but it should be employed only when clearly essential to vital U.S. purposes and then only after a careful process of high level review.

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I concur in the observation that covert action cannot be abandoned and should be employed when vital to our national goals, but only after a careful process of high level review.

RECOMMENDATION (50)

As the sensitivity and risks of covert action require appropriate review and consultation:

- covert action should only be authorized after collective consideration of its benefits and risks by all available 40 Committee members, and that,
- besides granting initial approvals, the 40 Committee should regularly review the continuing appropriateness of activities still being pursued.

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The recommendation is essentially sound. In late 1974, I submitted to the 40 Committee a proposal for modification of the 40 Committee mechanism for staff consideration and coordination of covert action programs. Agreeing with the Commission's recommendation, I shall make a fresh proposal which takes into consideration the Commission's perceptions and recommendation 50.

RECOMMENDATION (51)

PL-93-559 be amended to require reporting of covert actions to the proposed Joint Committee on National Security, and to omit any requirement for the personal certification of the President as to their necessity.

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I would welcome the establishment of a single, small and select joint committee of the Congress with a clearly defined role which could include a review of covert action programs in a manner which satisfies the needs of the Congress while reducing the security problems evident in a proliferation of bodies with oversight, investigatory or appropriations functions. I recognize that there are factors in some covert action programs which make a personal certification by the President a source of potential damage to his foreign policy role. Nonetheless, I believe that the President must be aware of and approve all major high-risk covert action programs. I concur in the Commission's recommendation that PL-93-559 be amended to omit any requirement for the personal certification of the President.

RECOMMENDATION (52)

The NSCIC should be actively used as the principal forum for the resolution, short of the President, of the differing perspectives of intelligence consumers and producers, and should meet frequently for that purpose.

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I concur. Continuing NSCIC guidance on consumer needs could assist the Intelligence Community in its efforts to focus particular attention on those topics and problem areas which are of highest interest to senior-level users of intelligence products.

To assist the NSCIC to function more adequately, two consumer-oriented subordinate working bodies have been formed. These are the NSCIC Working Group--chaired by the Deputy Assistant to the President for National Security Affairs--and the Economic Intelligence Subcommittee--chaired by the Assistant Secretary of the Treasury for International Affairs. I believe it important that the NSCIC itself, as well as its supporting bodies, continue to be chaired by representatives of the consumer community who are in a position to exercise initiatives in providing guidance to the Intelligence Community.



RECOMMENDATION (53)

While the intelligence agencies should retain and exercise their improved competence in the analysis of international economic issues, the Departments of State, Treasury, Commerce, and Agriculture, and the Council of Economic Advisors must maintain similar capabilities. We believe that, in all four of the Departments, those capabilities should be significantly strengthened.

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This recommendation has considerable merit. International economic issues more often than not are complex, many-faceted, and elusive. Analysis from various departmental viewpoints can add to the overall understanding of the implications of these issues and give greater assurance that U.S. policymakers are informed of their full range of options. The benefits from strengthening the competence of all Washington economic agencies in international economic analysis will be even greater as these agencies perfect the means for sharing their analytical findings. Greater sharing of analytical products also will guard against unnecessary duplication of research.

RECOMMENDATION (54)

A small staff of the highest quality, drawn from within and without the intelligence community and responsible for the drafting and review of NIEs, should be established. This staff, reporting directly to the DFI, should be charged with reporting clearly any important differences in the views of concerned agencies, and the reasons for such differences.

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In large part, the proposal in this recommendation represents what I sought to do by appointment of National Intelligence Officers with regional and topical experience to serve as my personal representatives in liaison with senior-level users of intelligence estimates, to be responsible for the production of national estimates and to ensure that important differences in estimative judgments of the various intelligence production organizations were clearly indicated.

I am mindful that the functioning of the NIOs and the system for producing national estimates still can be improved, and if I became convinced of the need for an additional staff element particularly qualified in the drafting of estimates, I would establish such. I am not so convinced as of now.

RECOMMENDATION (55)

a. Under the direction of the DFI, the IC staff should expand "Perspectives for Intelligence" into an annually revised multi-year plan for the allocation of responsibilities across the intelligence community. The plan should be reviewed in USIB and approved by the NSCIC.

b. On the basis of the multi-year plan, the IC staff should prepare an annual Consolidated Foreign Intelligence Budget. After review by IRAC and OMB, this document should guide the budget submission of each of the agencies and departments of the intelligence community to OMB. It should also provide a basis for the consideration, by the proposed Joint Committee of the Congress on National Security, of the funds to be annually authorized the intelligence community.

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Reference 55a:

I concur in the general thrust of this recommendation, but the allocation of responsibilities among the various agencies of the Intelligence Community is not within my control.

The annual "Perspectives for Intelligence" is intended as a DCI guidance document applicable to the next five years. Developing the "Perspectives" into a multi-year plan which discusses the allocation of Community responsibilities could be a logical development from the present document, but such a plan would not be directive in nature. Directive authority rests with the National Security Council in such matters.

Reference 55b:

Except for one essential difference, this recommendation reflects the present situation. The "Perspectives" is one of the documents now taken into consideration in the annual preparation of my recommendations for the national foreign intelligence program which I submit to the President through the OMB.

The essential difference, however, is that my recommendations to the President are based on a review of the budgets prepared elsewhere, primarily in the Department of Defense. My recommendations are meant as advice to the President on the overall intelligence program to aid him in assembling the budget he submits to the Congress and not as a guide for the initial preparation of the budget submissions of other agencies and departments of the Intelligence Community.

Recommendation 55b would make me responsible for before-the-fact budgetary guidance on intelligence matters to the statutory members of the National Security Council, which I do not consider appropriate.

RECOMMENDATION (47)

The CIA should be retitled the Foreign Intelligence Agency (FIA), and its Director the Director of Foreign Intelligence (DFI).

\*\*\*

I see no particular advantage to be gained by retitling the CIA as the Foreign Intelligence Agency (FIA) or changing the title of the Agency head to the Director of Foreign Intelligence. The change would be cosmetic and not substantive. It could do violence to the concept of "central intelligence" which was the primary purpose for the creation of CIA.

Putting more stress on the fact that the responsibilities of the DCI and the CIA are limited to foreign intelligence can be accomplished by inserting "foreign" in appropriate places in the basic legislation--as already has been proposed both by me and the Rockefeller Commission.

RECOMMENDATION (50)

As the sensitivity and risks of covert action require appropriate review and consultation:

- covert action should only be authorized after collective consideration of its benefits and risks by all available 40 Committee members, and that,
- besides granting initial approvals, the 40 Committee should regularly review the continuing appropriateness of activities still being pursued.

\*\*\*

The recommendation is essentially sound; the President, of course, has the right in exceptional cases to establish special procedures.

RECOMMENDATION (51)

PL-93-559 be amended to require reporting of covert actions to the proposed Joint Committee on National Security, and to omit any requirement for the personal certification of the President as to their necessity.

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The establishment of a single, small and select joint committee of the Congress with a clearly defined role which could include a review of covert action programs would limit the proliferation of sensitive information. I concur in the Commission's recommendation that PL-93-559 be amended to omit any requirement for the personal certification of the President.

RECOMMENDATION (55)

a. Under the direction of the DFI, the IC staff should expand "Perspectives for Intelligence" into an annually revised multi-year plan for the allocation of responsibilities across the intelligence community. The plan should be reviewed in USIB and approved by the NSCIC.

b. On the basis of the multi-year plan, the IC staff should prepare an annual Consolidated Foreign Intelligence Budget. After review by IRAC and OMB, this document should guide the budget submission of each of the agencies and departments of the intelligence community to OMB. It should also provide a basis for the consideration, by the proposed Joint Committee of the Congress on National Security, of the funds to be annually authorized the intelligence community.

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Reference 55a:

I do not consider that the "Perspectives for Intelligence" should become the vehicle to accomplish actions which are now and, in my view, should continue to be the responsibility of the National Security Council.

The annual "Perspectives" is intended as DCI guidance to the Community concerning problems expected to arise within the coming five years. It could quite logically become a multi-year plan which would identify, among other guidance, those aspects of the existing allocation of responsibilities to which study should be addressed. Any directives to reallocate major responsibilities on the basis of studies initiated in response to the "Perspectives" should require approval of the National Security Council itself.

Reference 55b:

Except for one essential difference, this recommendation reflects the present situation. The "Perspectives" is one of the documents now taken into consideration in the annual preparation of my recommendations for the national foreign intelligence program which I submit to the President through the OMB.

The essential difference, however, is that my recommendations to the President are based on a review of the budgets prepared elsewhere, primarily in the Department of Defense. My recommendations are meant as advice to the President on the overall intelligence program to aid him in assembling the budget he submits to the Congress and not as a guide for the initial preparation of the budget submissions of other agencies and departments of the Intelligence Community.



Recommendation 55b would make me responsible for before-the-fact budgetary guidance on intelligence matters to the statutory members of the National Security Council, which I do not consider appropriate.

The final sentence of the recommendation contemplates an annual authorization for appropriation of funds for the activities of CIA, a requirement that does not exist under current law (CIA Act of 1949). Such a new annual authorization request carries with it the same security problems as would an open budget for the CIA. Moreover, providing documents to the proposed Joint Committee which have been prepared as staff preparations for the President's Budget raises serious questions concerning the separation of powers.

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TRANSMITTAL SLIP		DATE
TO: DD/OCT/DDI		
ROOM NO. 4F18	BUILDING HQs	
REMARKS: Substitute pages to responses to Murphy Commission report.		
FROM: ICS		
ROOM NO. 7E19	BUILDING HQs	
FORM NO. 241 1 FEB 55		REPLACES FORM 36-8 WHICH MAY BE USED. (47)

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